

The Washington City Council met in a regular session on Monday, March 13, 2006 at the Municipal Building at 4:30 p.m. Present were: Judy Jennette, Mayor; Ed Gibson, Councilman; Richard Brooks, Councilman; Mickey Gahagan, Councilman; Darwin Woolard, Mayor Pro tem; James Smith, City Manager; Fred Holscher, City Attorney; and Rita A. Thompson, City Clerk. Councilman Jennings was absent.

Also present were: Carol Williams, Finance Director; Jimmy Davis, Fire Chief; Bobby Roberson, Community Development Planning Director; Allen Lewis, Public Works Director; Susan Hodges, Human Resources Director; Steve Tanner, DWOV Director; and Mike Voss, of the Washington Daily News.

Mayor Jennette called the meeting to order and thanked everyone for coming.

Councilman Gibson delivered the invocation.

**APPROVAL/AMENDMENTS TO AGENDA**

On motion of Mayor Pro tem Woolard, seconded by Councilman Gibson, Council unanimously approved the agenda, as submitted.

**APPROVAL OF MINUTES**

On motion of Mayor Pro tem Woolard, seconded by Councilman Gibson, Council unanimously approved the minutes of February 2 & 3, 2006 and February 13, 2006, as submitted.

**OATH OF OFFICE FOR BUILDING INSPECTOR**

Mayor Jennette gave the oath of office to Dean Burbage, new Building Inspector.

**CONSENT AGENDA**

On motion of Councilman Gahagan, seconded by Mayor Pro tem Woolard, Council unanimously approved the Consent Agenda, as follows:

- A. Adopt – Budget Ordinance Amendment for City Manager Dept. (\$25,700)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2005-2006**

**BE IT ORDAINED by the City Council of the City of Washington, North Carolina:**

Section 1. That account number 10-00-4650-4503, Prettl Noma Incentive Grant, Economic Development portion of the General Fund appropriations budget be decreased in the amount of \$19,500 to provide additional appropriations for City Manager department.

Section 2. That account number 10-00-4650-4506, Camfil Farr Incentive Grant, Economic Development portion of the General Fund appropriations budget be decreased in the amount of \$6,200 to provide additional appropriations for City Manager department.

Section 3. That the following accounts in the City Manager department portion of the General Fund appropriations budget be increased in the amounts shown:

10-00-4120-0200	Salaries	\$12,000
10-00-4120-0400	Professional Services	2,000
10-00-4120-1400	Employee Development	6,500
10-00-4120-3300	Departmental Supplies	2,000

10-00-4120-7400	Capital Outlay	<u>3,200</u>
		\$25,700

Section 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 5. This ordinance shall become effective upon its adoption.

Adopted this the 13<sup>th</sup> day of March, 2006

s/Judy Jennette  
**JUDY JENNETTE**  
**MAYOR**

ATTEST:

s/Rita A. Thompson  
**RITA A. THOMPSON, CMC**  
**CITY CLERK**

- B. Adopt – Budget Ordinance Amendment for generator for new Middle School lift station (\$17,962)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2005-2006**

**BE IT ORDAINED** by the City Council of the City of Washington, North Carolina:

Section 1. That the Estimated Revenues in the Sewer Fund be increased in the amount of \$13,663 in the account Miscellaneous Revenue, account number 32-90-3350-8000.

Section 2. That the Estimated Revenues in the Sewer Fund be increased in the amount of \$4,299 in the account Earned Interest, account number 32-90-3831-0000.

Section 3. That account number 32-90-8230-7400, Capital Outlay, Lift Stations portion of the Sewer Fund appropriations budget be increased in the amount of \$17,962 to provide funds for generator at new middle school.

Section 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 5. This ordinance shall become effective upon its adoption.

Adopted this the 13<sup>th</sup> day of March, 2006

s/Judy Jennette  
**JUDY JENNETTE**  
**MAYOR**

ATTEST:

s/Rita A. Thompson  
**RITA A. THOMPSON, CMC**  
**CITY CLERK**

- C. Adopt – Budget Ordinance Amendment for Industrial Park Water and Sewer Extension Capital Project Fund (\$1,075)

**AN ORDINANCE TO AMEND THE BUDGET ORDINANCE  
OF THE CITY OF WASHINGTON, N.C.  
FOR THE FISCAL YEAR 2005-2006**

**BE IT ORDAINED by the City Council of the City of Washington, North Carolina:**

Section 1. That account number 68-90-8000-4501, Sewer Construction, portion of the Industrial Park Capital Project Fund appropriations budget be decreased in the amount of \$1,075 to provide additional appropriations for engineering.

Section 2. That account number 68-90-8000-0400, Engineering, portion of the Industrial Park Capital Project Fund appropriations budget be increased in the amount of \$1,075 to provide funds for additional engineering.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 4. This ordinance shall become effective upon its adoption.

Adopted this the 13<sup>th</sup> day of March, 2006

s/Judy Jennette  
**JUDY JENNETTE**  
**MAYOR**

ATTEST:

s/Rita A. Thompson  
**Rita A. Thompson, CMC**  
**CITY CLERK**

- D. Award – Disposal parcel to Jay M. Hodges III, ½ of an alley off Water Street

- E. Award – Contract for the Eastern Substation Power Transformer

**MR. RALPH DRAMSTAD – DISCUSS PUBLIC/PRIVATE  
PARTNERSHIP WITH THE CITY**

Mr. Ralph Dramstad stated that Jack Ulrich and a partner in San Francisco have bought the old Dr. Pepper plant and they want to talk to the Council concerning a partnership with the City about the infrastructure, especially the parking deck planned. One of the things the City needs is parking downtown and this project allows for public parking. There will be 175 to 200 parking spaces.

Mr. Dramstad talked about Tax Increment Financing that has become available in the state, and feels this is a good way for the City to get parking that it needs with projects happening downtown. He stated that their main goal is to have the City consider pursuing a partnership with them. The City has done it before with two other projects, The Willows and the Old Buggy Building. The City loaned him money which he paid back and work from the Electric Department made the projects happen.

Mr. Ulrichs stated that the basics are that they would sell the property to the City, they would build the structure and maintain it. This would give the City public parking spaces. The mechanics would have to be worked out.

Mayor Jennette asked if they had run any numbers on the parking deck? Mr. Ulrichs stated it would be between \$800,000 and \$1 million. The property would have to be appraised, his estimate is \$1.6 million to \$1.8 million.

Councilman Gahagan asked how many parking spaces would be dedicated to the units? Mr. Ulrichs stated they prefer to keep 10% for the tenants for the 24 condos. If they need more, maybe they can purchase more. He stated they will have townhouses that will have two car garages built in.

Councilman Gibson asked if this would this be self sustaining through parking fees to the public? Mr. Ulrichs stated he hadn't thought that far ahead, but wouldn't feel there would be a charge for parking. The tax base will hopefully pay for the structure and the parking. Mr. Dramstad stated this is the way to get a parking deck, paid for mainly for the tenants. This will be a strong tax base eventually and have it pay for the parking deck other than the City. The City will get money back mainly by the tax base.

Councilman Gahagan stated he doesn't have a problem investigating this and see what's out there.

Mr. Smith stated that he met with David Jones, with a law firm in Raleigh. This legislation, Tax Increment Financing, originated about 20 years and got resurrected about a year and one-half ago, but has not been used in North Carolina. It has been used in many states, including Virginia and South Carolina. The basic way Tax Increment Financing works is you have a parcel like the one in question that has a current assessed value that produces a certain amount of taxes, for example, say \$2,000. After improvements are made it produces \$22,000 a year, so you have an increment of \$20,000 to be used annually to pay the bonds. He stated it is a fairly complex mechanism. The upfront costs are \$30,000 to \$50,000 in legal fees plus the bond counsel fees, issuance cost (starting at \$20,000 and go up to 2% of the bond issue). The good news is our property taxes are relatively low. The bad news is that you don't produce a lot of increment to finance a project like this. There are other possibilities as well, certificates of participation such as leasing, economic development tax grants which involve a rebate of a portion of the new taxes paid on the property.

Mr. Smith stated there are a number of ways to look at this, but we need to have a post construction appraisal. He asked Mr. Ulrich to share this with the Council when he has it done. The City will then crunch some numbers and see what resources might be available to work on this project. Mayor Jennette asked how far along are they on the environmental aspects? Mr. Ulrich stated that the Attorneys are trying to cross their t's and dot their i's, about a week or two away.

## **MR. TOM THOMPSON – DISCUSS QUICK START BUILDING #2**

Mr. Tom Richter (substituting for Tom Thompson) stated that they need to get start on another Quick Start Building. The necessity of having a building is the key to recruiting efforts. Eighty six percent of the companies locating go to existing buildings. Also, having a building helps them get referrals from other developers from across the state, other sixteen county region, and from the Department of Commerce. One last thing, even for the visitors coming in and looking at the building, they know also this is the only building in Beaufort County. They should feel some confidence in that they will know we are ready to go on another building in case the one they are looking at isn't here 60 days from now. That's why it is important to get started on the next one.

Mr. Richter asked Council to consider to go in with the County on front end costs of \$50,000 for design, engineering and permitting. The City's share would be \$22,500 and \$27,500 for the County. A minimum of three months will be saved by having this work out of the way. A number of clients are currently looking at the first Quick Start building.

Councilman Gibson stated that he has been saying that we don't need to be laying out money like this however, this sounds like something we ought to do.

On motion of Councilman Gahagan, seconded by Mayor Pro tem Woolard, Council unanimously agreed to appropriate \$22,500 to do the design, engineering and permitting work for the Quick Start Building No. 2.

Mr. Smith added that we will not have a lot of unappropriated surplus money, but this is the kind of project that comes from fund balance. He stated he will work with Carol and see what they can scrap up.

**MS. LYDIE JENNINGS – DISCUSS “CRABS ON THE MOVE” (PINE  
NEEDLES GARDEN CLUB) APPROVAL OF THE PUBLIC  
LOCATIONS**

Mrs. Katherine Tate, with the Pine Needles Garden Club, appeared before Council to discuss “Crabs on the Move.” She explained that the crabs will be 6 ft. by 6 ft. fiberglass crabs that will be displayed all over town. The crabs will be sponsored by different groups, painted by different artists, and will be a fund raiser for the garden club. The crabs will cost \$1500 each and roughly \$500 to have it painted. Nine crabs have already been sold. The crabs will be an icon for Washington. She stated that the community has been very receptive.

Mrs. Tate asked Council’s support in transporting the crabs here from Baltimore, and to purchase a crab. The crabs will also have to be moved around.

Mrs. Lydie Jennings stated they hope to have 30 crabs, but will get 12 to start with. The crabs will be on wooden pallets and packed for shipping.

Mr. Smith stated that the crabs will be something to remember Washington by and the City can benefit something from definitely. He stated that they could be on a walking tour, or have a crab feed on the waterfront. However, the City does not have a truck that can carry them. Also, the \$2,000 will have to come from the General Fund, that we can look as we get towards the end of June. Councilman Brooks stated that we can look and see what we have left, that he thinks it is good idea but we should be mindful. Mrs. Jennings stated that the first crabs will arrive around May 15<sup>th</sup>, and discussed activities planned in conjunction with the crabs.

Councilman Gahagan stated this will be a great attraction to our town and we should do whatever we can to help the Garden Club, including buying a crab. Councilman Gibson question the Electric Utilities buying a crab and the City buying another one.

On motion of Councilman Gahagan, seconded by Councilman Gibson, Council unanimously approved \$2,000 to purchase a crab and provide approval for the appropriate places for the crabs on City owned property.

Councilman Gahagan stated that we would do what we can as far as transportation (even though that might not be possible).

Mr. Smith stated that Council has received a copy of possible sites for the crabs to be placed, but subject to the approval of the Historic Preservation Commission. He asked that the sites be included in the motion. Mayor Jennette asked that a crab be placed away from the Memorial at the Veterans Park (the other side of the water tower). Mayor Pro tem Woolard stated it would be better closer to the walking trail planned in that area. Mrs. Jennings stated they would contact the Rotary Club at the appropriate time.

Councilman Gahagan amended the motion to include the following sites for location of the crabs:

Washington Fire and Rescue  
Courthouse  
Municipal Bldg – under the trees

Chamber of Commerce  
by Arts Council sign (or on opposite corner under trees)  
Estuarium  
Miracle Mile (at bridge in rocky area)  
Moss property?  
Schools?  
Boys and Girls Club

**Gov't buildings:**

Washington Fire and Rescue  
Police Station  
Courthouse  
Municipal Bldg – under the trees  
Susie Gray McConnell Sports complex  
Veterans park  
Chamber of Commerce  
Library  
Board of Elections  
Post Office  
7<sup>th</sup> St. Rec Center  
by Arts Council sign (or on opposite corner under trees)  
Estuarium  
Havens Garden

**Downtown:**

Parkway by Flag Poles  
The area between the sidewalk and the bulkhead  
The sidewalk on south Market St near Wachovia  
The grass / tree area next to Sloan Insurance  
The McQuay building will be a hotel in the future and the garden area next to the Hotel (called Harding Square)  
There is a grassy area west of Market Street along Water Street next to Lydie's Building next to the sidewalk (This is close to the Visitor's Center)  
In the Garden area between the Old Bank of America and Dellinger's Pawn Shop.  
This area is owned by Alton Ingalls.  
Bughouse Park (Third and Charlotte)  
at the East entrance to the Boardwalk

Councilman Gibson seconded the amended motion which carried unanimously.

Mr. Smith stated that he is not sure all of these locations will work and if Council wants one crossed off, let us know. This is a general list, that the property owners would be contacted. Mayor Jennette asked if this list needs to be included in a motion then? Mr. Smith stated that we wanted to be sure that Council feels comfortable with the general locations.

Mrs. Jennings stated that they would have to be moved from one location to the other. Mr. Smith stated they would try to do that, it would have to be coordinated.

Mayor Jennette thanked the group for their hard work and stated this will be a great project for Washington.

**REPORT - ECONOMIC DEVELOPMENT COMMISSION**

Mr. Tom Thompson stated that of the four new clients, one is a \$50 million dollar company with 200 employees looking at a site in Chocowinity. There is a \$7 million dollar boat parts plant looking at the Quick Start One Building. Another client attempting to locate and needing rail, is looking for 500 to 1000 acres for a large project, and the other he can't discuss. He stated they will be announcing their next industry at the Committee of 100 luncheon. There are about 518 members in the Committee of 100 and we are shooting for 1000.

**REPORT - TOURISM DEVELOPMENT AUTHORITY**

Mayor Jennette stated that the Tourism Development Authority voted to purchase one of the crabs. Also, the website for the Skate Park has been funded. The room occupancy tax is slightly higher now. The owner of the Hampton Inn said it would probably be down in February.

**REPORT - HUMAN RELATIONS COUNCIL**

Mayor Jennette stated that the Pulpit Exchange went very well. A person from the Department of Social Services will be speaking at their meeting tomorrow night.

**REPORT - DOWNTOWN WASHINGTON ON THE WATERFRONT**

Since Councilman Jennings was not present, Steve Tanner, DWOW Director, gave the report on Downtown Washington on the Waterfront. Mr. Tanner stated that the two committees Council charged DWOW with to begin to look at the parking issues and the boat docks have met. He stated that the Parking Committee met and John Edwards has given options on using his services. He stated that Council had talked about using staff to address some parking issues. The group has been charged with looking at some short term goals and some long term goals regarding parking downtown. The boat docks have been thrown in with the restroom issue. They will take the design of W. K. Dixon and fitting some emphasis on how to approach future boat dock issues, as well as a final location for the restrooms.

Mr. Tanner stated that Allison Platt has received the plat from the City and will give us some options on proposals from working through a design concept to actually taking the design to construction documents. Something should be back from her in about a week.

He stated that Saturday Market will have over fifteen artists signed up, as well as produce, full slate of participants on stage and exploring the idea of "A Taste of Washington." Food courts will take in different looks. . . German, Mexican, Italian, and end with American.

**REPORT - CDBG-URBAN REDEVELOPMENT THE GEORGE,  
STEVE PLAYER- FAÇADE GRANTS (\$1,000,000.00)**

Mr. Roberson stated that the City received a \$1,000,000 grant, with a prorata Share of \$750,000 to The George, with the remaining portion of \$250,000 for Administration costs, and implementing the Urban Redevelopment Plan. The contract was originally awarded to the Wooten Company. Currently all the façade grants under the Urban Redevelopment have been awarded. John Wood of the Historic Preservation Office will make an on field site presentation, review the information, and once that is completed, Wooten will coordinate it with the state.

Steve Player, with the Wooten Company, stated that Redevelopment Plans makes good sense for planning. The Plan itself is prepared under the guidance of the General Statutes and is very statute oriented. He stated they are working with the Planning Commission and will forward recommendations to the Redevelopment Commission (City Council themselves). Once it has been reviewed by the Planning Commission, a public hearing will be held and a recommendation will be forwarded to the Redevelopment Commission. The City Council will adopt the plan following a public hearing. The Plan contains information related to a Land Use Plan for the area, what type of uses will be allowed after development, preliminary site plan, any changes in zoning in the text or map, changes in the street layout, and financing plan. The plan must be developed for any relocation for homes or businesses.

Mr. Roberson stated there is always the issue of why don't we expand the boundary of Urban Redevelopment. The key is that once you target the area that you

want to address in terms of slums, blighted areas, etc. is having the ability to pay for the improvements. The only target we have on the designated area being considered under the CDBG portion, which is 600 lineal feet. The only money we have set aside is the \$1 million grant program.

Mr. Player stated expanding the boundary was discussed earlier and the recommendation was until financing was in place, they recommended to leave the boundaries as they are. Some other areas have already been proposed to them.

Mr. Roberson stated they can't move forward until the Tate Preservation Office buys into it. Mr. John Woods will be making a presentation next week.

Mr. Roberson stated that the second portion is the \$750,000 for The George. Mr. Fred Fletcher stated that he came before Council in October and reported they were waiting on review and comments from the National Park Service. The comments came in November and they responded back to them on December 12<sup>th</sup> on some significant issues that will make a big difference in the affecting financial model. Now, they have not heard from them even after making numerous calls. He stated they hate to spend any more money in developing plans until they know exactly what National Park Service is going to let them do. The first application was filed on March 10, 2005.

Mr. Fletcher stated that there are three parts to get tax credits: (1) Prove project are in the historic business district, (2) submit plans as detailed as you can make them for approval and the fact you are conforming to their standards, and (3) you actually submit your "as built" drawings to demonstrate you will build what you proposed early on. He stated that they have not gotten through the second component, and that's where they are. He stated they are seriously considering abandoning the tax credits altogether, which is not an easy thing to walk away from, that it could mean \$600,000 to \$750,000 in cash. He stated they could restructure the financial model in a way that it will still be financially feasible. What is causing the biggest aggravation is they wanted to add a fifth floor. The developers usually create a penthouse that can be marketed at high dollars and when they are sold off, it reduces your capital exposure on the hotel component of your project. What has happened is the penthouse area is being scrunched so tightly because they are requiring them to build it so it cannot be seen from the street. On a 6,000 or 8,000 square foot plate, they are allowed roughly 2200 square feet. The steel and cost associated is prohibited with that small living area. There are other things inside the building they are requiring them to do that is quite costly, limiting in terms of being able to partition their spaces to meet their tenant's needs. If they abandon the tax credits altogether, the state office has no authority on what you do with the interior. They explored the option of that, and felt that might give them some breathing room to save some money and move forward. However, they were told by the State Office that because they are receiving federal monies, they will hold them to the same standards as the National Forest Service.

Mr. Fletcher stated they do have a viable alternative which eliminates the penthouse altogether, making the fourth floor rooms larger and nicer, higher end bringing a better rate (bridal parties, executive retreats, etc.). He stated they are not ready to drop the penthouse right now and are hopeful that if they agree on what would be an acceptable design, they could petition the State Office to give them some relief and let them do some of these things.

Mr. Fletcher stated that the good news is this has given them the opportunity to continue to recruit for the spa. He stated they have an international spa firm who will come in and make an investment which is a world class organization. Also, they plan to continue to pursue a restaurant operator, and have several serious prospects.

Mayor Jennette thanked Mr. Fletcher for his update.



**REPORT - CAMA-COMPREHENSIVE PLAN**

Mr. Dale Holland, Holland & Associates, discussed the CAMA Land Use Plan. It is moving along on schedule with the help of the Planning Board. The City was funded in two phases and finished with Phase I (an assessment of historical and existing conditions). The second phase gets into future forecasts and the development of policies and implementing action. They will be through with a *draft* of the entire document by May 30<sup>th</sup>. City Council will have time to comment and review the plan before the public hearing. The Planning Board has a complete copy of the policy and implementing action. A workshop is scheduled for March 29<sup>th</sup> from 3:00 p.m. until 9:00 p.m. Councilmembers are invited to attend. The Planning Board's comments will be incorporated into the entire draft of the plan and will then go to the Division of Coastal Management for review and comment, and a copy to the City Council. When comments are received from the Division of Coastal Management, revisions will be made and then be forwarded back to them and then the plan will go to the City Council for a public hearing to be scheduled. Certification of the plan will go back to the Coastal Resources Commission as the City's Land Use Plan. He stated we are a year away from having a certified Land Use Plan.

Mr. Holland stated that as a parallel to that, the City is also preparing a Comprehensive Plan that goes beyond the CAMA Plan. There are two key elements in the Comprehensive Plan, (1) impact of the construction of Highway 17, and (2) strategic planned portion of the document. He welcomed Council to the meeting on April 3<sup>rd</sup> Planning Board meeting. Their focus will be to pick ten items that will be prioritized and go into considerable detail on the first two or three out of the ten. Tasks will be assigned and schedules set. When the first three tasks have been accomplished, the other tasks will be moved up and three more added. It will become an involving, continuous document that will not be allowed to sit on the shelf.

Councilman Gibson asked why it takes so many months to revise when there is already an existing plan just to update? Mr. Holland answered that he wished it didn't, but there are two things that cause that, (1) under the Old CAMA guidelines, they received funding in one grant year and now it is over two fiscal years, and (2) since the last CAMA Land Use Plan, the guidelines have changed.

Mayor Jennette asked if it is going to be a different looking document? Mr. Holland answered yes, it will be in more detail with respect to CAMA regulated areas and it will go beyond the area of control regulation and geographic authority that applies to the areas of environmental concern. Mayor Jennette asked if this is a useful document. Mr. Holland stated it would be.

Mayor Jennette thanked Mr. Holland for his presentation.

**ADOPT – ANNEXATION ORDINANCE TO EXTEND THE  
CORPORATE LIMITS FOR THE NON-CONTIGUOUS  
ANNEXATION OF THE WILLIAM CAYTON PROPERTY  
(FORMER CAYTON FURNITURE)**

Councilman Brooks stated that he has a concern about annexing property into the City that will put more constraints on our public safety personnel.

Mr. Roberson stated there will be costs involved, but we already have the Maple Branch Subdivision in the City that has 250 modular units, 75 already on the site, and an existing commercial site adjacent to this property requesting annexation.

Mayor Jennette stated this is a public hearing.

There was no one present to speak.

Mayor Jennette closed the public hearing.

On motion of Councilman Gahagan, seconded by Councilman Brooks, Council unanimously adopted the annexation ordinance to extend the City of Washington corporate limits for the non-contiguous annexation of the William Cayton property located at 4525 US Hwy 264 West.

**AN ORDINANCE TO EXTEND THE CORPORATE LIMITS  
OF THE  
CITY OF WASHINGTON, NORTH CAROLINA**

WHEREAS, the Washington City Council has been petitioned under G.S. 160A-58.1 to annex the area described below; and

WHEREAS, the Washington City Council has by resolution directed the City Clerk to investigate the sufficiency of the petition; and

WHEREAS, the City Clerk has certified the sufficiency of the petition and a public hearing on the question on of this annexation was held at the City Council Chambers on the 2<sup>nd</sup> floor of the municipal building located at 102 East 2<sup>nd</sup> Street at 6:00 p.m. on Monday, March 13, 2006 after due notice by the Washington Daily News on March 3, 2006 & March 6, 2006;

WHEREAS, the Washington City Council finds that the area described herein meets the standards of G.S. 160A-58.1(b), to wit:

- a. The nearest point on the proposed satellite corporate limits is not more than three (3) miles from the corporate limits of the City of Washington.
- b. No point on the satellite corporate limits is closer to another municipality than to the City of Washington.
- c. The area described is so situated that the City of Washington will be able to provide the same services within the proposed satellite corporate limits that it provides within the primary corporate limits.
- d. No subdivision, as defined in G.S. 160A-376, will be fragmented by this proposed annexation;
- e. ~~The area within the proposed satellite corporate limits when added to the area within all other satellite corporate limits, does not exceed ten percent (10%) of the area within the primary corporate limits of the City of Washington.~~ ***This Standard does not apply to the City of Washington.***

WHEREAS, the Washington City Council further finds that the petition has been signed by all of the owners of real property in the area who are required by law to sign; and

WHEREAS, the Washington City Council further finds that the petition is otherwise valid, and that the public health, safety and welfare of the City of Washington and of the area proposed for annexation will be best served by annexing the area described;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Washington, North Carolina that:

Section 1. By the virtue of the authority granted by G.S. 160A-58.2, the following described non-contiguous territory is hereby annexed and made part of the City of Washington as of April 30, 2006:

Lying and being in Washington Township, Beaufort County, North Carolina, more particularly described as follows:

BEGINNING at an iron pipe in the intersection of the Southerly right-of-way line of US Highway 264 with the Easterly right-of-way line of Maple Branch Avenue, the said iron pipe is South 73 degrees 23 minutes 20 seconds East 97.86 feet with the said US 264 right-of-way line from a North Carolina Department of Transportation concrete right-of-way monument; thence from the said beginning iron pipe a curve to the right having an arc length of 389.44 feet, a radius of 3778.96 feet, a chord bearing South 69 degrees 41 minutes 41 seconds East 389.27 feet to an iron pipe; thence the following four calls to points in a ditch, South 21 degrees 14 minutes 58 seconds West 30.03 feet, South 15 degrees 08 minutes 56 seconds West 161.64 feet, South 13 degrees 45 minutes 17 seconds West 187.18 feet, and South 13 degrees 25 minutes 19 seconds West 94.77 feet; thence the following three calls with the William L. Cayton line to iron pipes, North 70 degrees 08 minutes 59 seconds West 332.26 feet, South 19 degrees 51 minutes 01 seconds West 79.00 feet and North 70 degrees 08 minutes 59 seconds West 100.00 feet; thence North 19 degrees 51 minutes 01 seconds East 553.50 feet with the said Easterly right-of-way line of Maple Branch Avenue and the City of Washington Limit line to the BEGINNING: containing 4.64 acres according to a survey prepared by Hood L. Richardson, PLS, dated September 7, 2005 and being the same lot described in Deed Book 1005 at page 215 Beaufort County Register of Deeds.

Section 2. Upon and after April 30, 2006, the above described territory and its citizens and property shall be subject to all debts, laws, ordinances and regulations in force in the City of Washington and shall be entitled to the same privileges and benefits as other parts of the City of Washington. Said territory shall be subject to municipal taxes according to G.S. 160A-58.10.

Section 3. The Mayor of the City of Washington shall cause to be recorded in the office of the Register of Deeds of Beaufort County, and in the office of the Secretary of the State in Raleigh, North Carolina, an accurate map of the annexed property, described in Section 1 above, together with a duly certified copy of this ordinance. Such a map shall also be delivered to the County Board of Elections, as required by G.S. 163-288.1.

Adopted this 13<sup>th</sup> day of March, 2006.

s/Judy Jennette  
**JUDY JENNETTE**  
**MAYOR**

ATTEST:

s/Rita A. Thompson  
**RITA A. THOMPSON, CMC**  
**CITY CLERK**

**ADOPT – ORDINANCE TO AMEND CHAPTER 4, AND CHAPTER 9 OF  
THE CODE OF ORDINANCES OF THE CITY OF WASHINGTON BY  
REMOVING THE DIRECTOR OF PLANNING & ZONING &  
SUBSTITUTING THE CHIEF FIRE/RESCUE/EMS**

Mrs. Dot Moate, a member of the Planning Board, stated that when the budget for fiscal year 2006-2007 was adopted, certain duties and responsibilities were removed from the Planning Office. In order to comply with the administrative changes, Chapter 4 and Chapter 9 in the code needs to reflect those modifications. Therefore, the Planning Board unanimously recommended that Chapter 4 Buildings and Construction and Chapter 9 Motor Vehicles and Traffic be amended by changing the Director of Planning and Development to the Director of Fire/Rescue/EMS/Inspections.

Mayor Jennette opened the public hearing.

There were no comments from the public.

Mayor Jennette closed the public hearing.

On motion of Mayor Pro tem Woolard, seconded by Councilman Gibson, Council unanimously adopted the two Ordinances, one amending Chapter 4, Building and Construction and the other being Chapter 9, Motor Vehicles and Traffic by substituting the Director of Planning and Zoning for the Chief of Fire/Rescue/EMS/Inspections.

**AN ORDINANCE TO AMEND CHAPTER 9, MOTOR  
VEHICLES AND TRAFFIC OF THE CITY OF WASHINGTON CODE**

**BE IT ORDAINED**, by the City Council of the City of Washington, North Carolina:

SECTION 1. Amend Chapter 9 Article VIII, Abandoned, Nuisance and Junked Motor Vehicles, Section 9-196, Administration: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

SECTION 2. Amend Chapter 9, Article VIII, Abandoned, Nuisance and Junked Motor Vehicles, Section 9-197, Definitions: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

SECTION 3. Amend Chapter 9, Article VIII, Abandoned, Nuisance and Junked Motor Vehicles, Section 9-199, Nuisance vehicle unlawful; removal authorized (b): by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

SECTION 4. Amend Chapter 9, Article VIII, Abandoned, Nuisance and Junked Motor Vehicles, Section 9-200, Junked motor vehicle; removal authorized, (e)(l): by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

SECTION 5. Amend Chapter 9, Article VIII, Abandoned, Nuisance and Junked Motor Vehicles, Section 9-207, Conditions on removal of vehicles from private property: by removing City Director of Building Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

SECTION 6. This Ordinance shall become effective upon adoption.

SECTION 7. All Ordinances or parts in conflict herewith are repealed.

Adopted this the 13TH day of March 2006.

s/Judy Jennette  
**JUDY JENNETTE**  
**MAYOR**

ATTEST:

s/Rita A. Thompson  
**RITA A. THOMPSON, CMC**  
**CITY CLERK**

**AN ORDINANCE TO AMEND CHAPTER 4, BUILDING AND CONSTRUCTION  
OF THE CITY OF WASHINGTON CODE**

**BE IT ORDAINED**, by the City Council of the City of Washington, North Carolina:

Section 1. Amend Chapter 4, Article I. In General, Section 4-3: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

Section 2. Amend Chapter 4, Article IV, Swimming Pools, Section 4-67 (a) Permit required for construction: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

Section 3. Amend Chapter 4, Article IV, Swimming Pools, Section 4-68 (1) Construction and use requirements: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

Section 4. Amend Chapter 4, Article IV, Swimming Pools, Section 4-69 Inspection: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

Section 5. Amend Chapter 4, Article V. Housing, Section 4-87 Director of Inspections and Zoning Duties: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

Section 6. Amend Chapter 4, Article V. Housing, Section 4-88 Same-Powers: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

Section 7. Amend Chapter 4, Article V. Housing, Section 4-89, Right of entry of Inspectors: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

Section 8. Amend Chapter 4, Article V, Housing, Section 4-91, (a) Procedure for enforcement: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

Section 9. Amend Chapter 4, Article V, Housing, Section 4-91, (b) Procedure after hearing: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

Section 10. Amend Chapter 4, Article V, Housing, Section 4-92, Service of Complaints and Orders: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

Section 11. Amend Chapter 4, Article V, Housing, Section 4-93, (a) In rem action by inspector, placarding: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

Section 12. Amend Chapter 4, Article V, Housing, Section 4-94, Costs of repairs, etc., lien on premises: by removing Director of Inspections and Zoning and substitute thereafter the Chief of Fire/Rescue/EMS/Inspections.

Section 13. This Ordinance shall become effective upon adoption.

Section 14. All Ordinances or parts in conflict herewith are repealed.

Adopted this the 13<sup>TH</sup> day of March, 2006

s/Judy Jennette  
**JUDY JENNETTE**  
**MAYOR**

ATTEST:

s/Rita A. Thompson  
**RITA A. THOMPSON, CMC**  
**CITY CLERK**

**ADOPT – ORDINANCE TO AMEND CHAPTER 27, ZONING ARTICLE  
XI. SEC, 27-119, SUBSECTION G. “STREET FRONTAGE USE  
REQUIREMENTS”**

Mrs. Moate stated that when new construction for multifamily occurs in the BI-H Historic District, the development is occurring in the 100 year flood zone. Therefore, the first floor in new construction has to be above the base floor elevation, as determined by the FEMA regulations. Thus, developers are using the first floor as parking spaces in order to accommodate their customers and meet the parking regulations. Subsequently, nonresidential uses can not be located on the first floor in order to comply with the FEMA regulations. In order to clarify the regulations, an amendment is being provided to clarify the BI-H Section of the district. The Planning Board unanimously recommended the change.

Mayor Jennette called for the public hearing.

There was no one present to speak.

Public Hearing was closed.

On motion of Councilman Gahagan, seconded by Councilman Brooks, Council unanimously accepted the recommendation of the Planning Board and adopted an ordinance to amend Chapter 27, Zoning, Article XI, Section 27-119. Subsection g. by adding a new sentence which reads as follows: When new construction occurs for residential purposes, located in a flood area, and off street parking is placed at ground level, the nonresidential use provision does not apply.

**An Ordinance To Amend Chapter 27, Zoning Article XI.,  
Section 27-119., Subsection (g) of the City of Washington  
Code**

**BE IT ORDAINED** by the City Council of the City of Washington, North Carolina:  
Section 1. That Chapter 27. Article XI., Section 27-119, Subsection (g) be amended by adding a new sentence at the end of the paragraph which is as follows:

When new construction occurs for residential purposes, located in a flood zone, and off street parking is placed at ground level, the nonresidential provision does not apply.

Section 2. This Ordinance shall become effective upon its adoption.

Section 3. All ordinances or parts in conflict herein are repealed.

Adopted this the 13<sup>TH</sup> day of March, 2006.

s/Judy Jennette  
**JUDY JENNETTE**  
**MAYOR**

ATTEST:

s/Rita A. Thompson  
**RITA A. THOMPSON, CMC**  
**CITY CLERK**

**APPROVE – REVISION TO THE PRELIMINARY PLAT, ENTITLED  
“THE BUOY TENDER STATION”**

Mrs. Moate stated that when major changes occur on the preliminary plat, the developers are required to re-submit their proposed development. Thus, the driveway

location has changed from being located adjacent to the Carolina Winds property line to the center of the frontage along West Main Street. In addition, the developers have created a de-acceleration lane in front of the project to make a better transition into the entrance and parking area. Bea Morton, whose property is located directly across from the new driveway entrance came forward and voiced concern over the new location and stated that when drivers exit off of US 17 onto West Main Street, they come across the center lane to make the turn causing cars who were coming straight across the intersection to stop to avoid rear end collisions. After the discussion of the traffic, the Planning Board recommended the approval of the revised preliminary plat subject to three requirements which are as follows:

1. Approval letter from the State's Historic Preservation Office on the design of the proposed structures.
2. Approval letter from the Division of Water Quality on the surface water run off design
3. Approval from the Division of Coastal Management on the encroachment into the 50 foot buffer requirement by the three proposed residential structures.

The Planning Board also requested that the intersection be reviewed jointly by the City and the Department of Transportation and possibly eliminate the Yield section on to West Main Street and go to a stop position at the intersecting light.

Mrs. Moate stated that the Planning Board made a recommendation to unanimously approve the revised preliminary subdivision plat, subject to the three conditions as mentioned in the summary.

Council was concerned about fire trucks getting to the area. Fire Chief stated that was a concern on the original plat plan but now he has 27 feet curb to curb, and they look at a 25 ft. turning radius.

Mr. Smith stated that a question came up how much side walk and handicapped accessibility would there be. Mr. Roberson stated that the actual roll back curb section would be a better transition and the handicapped would actually be at grade at the driveway location. It would move down to a slope type set up.

Mayor Jennette stated this is a public hearing and called for comments from the audience.

Mr. Zane Buckman stated that they wanted to change the entrance to make the esthetics of the project look better and it will help a lot on the slope of the entrance. They hope to start within the next ten days.

Mayor Jennette closed the public hearing.

On motion of Councilman Gibson, seconded by Mayor Pro tem Woolard, Council unanimously recommended the revisions to the preliminary subdivision plat, The Buoy Tender Station, subject to three conditions: (1) approval letter from the State's Preservation Office; (2) approval letter from the Division of Water Quality and (3) approval letter from the Division of Coastal Management.

**APPROVE – SUBDIVISION VARIANCE, ON STREET STANDARDS,  
FOR MOSS LANDING**

Mrs. Moate stated that the original preliminary subdivision plat was not brought forward to review because of the proposed street design on Water Street. The developers are proposing the following dimensions on the street design:

1. The new right of way width would be at 53 feet

2. A 28 foot face to face curb section with paving would be installed
3. Two travel lanes would be created at 10 foot each with a distance of 20 for the total
4. An eight foot wide distance would be allowed for parking on the south side of Water Street
5. A six foot planting strip would be allowed along with a five foot wide sidewalk.

Information from the Public Works Department indicates the proposed street does not meet the Manual of Design and Details for new construction. The travel lanes should be at eleven feet each, for a total distance of 22 feet. In other words, the difference between the City standards and the developer's proposal is as follows:

1. The travel lanes; City requirement is 11 feet the developers proposal is 10 feet
2. The travel lanes is using the gutter section by the developer; the City standard does not use the gutter section for travel

Mrs. Moate stated that the Planning board unanimously recommended the variance to City Council based on the following findings:

1. Mr. Fletcher produced a street design recommended by the NC Department of Transportation, shown on page 109, figure 2
2. In order to keep the residential character of the existing historic neighborhood, based on a report completed by Bill foreman, a professional civic engineer, the 10 foot travel lanes exceed the majority of the existing travel lane street patterns.
3. Keeping the 6 foot planting area, the 5 foot sidewalk and the 8 foot wide parking width for on street parking would be consistent with the current design along Stewart Parkway and the proposed brick pavers on the sidewalk would provide a good transition into the new development.
4. Narrow residential streets have a tendency to reduce speed whereas larger travel lanes tend to increase traffic speed.

Councilman Gibson asked to hear Allen Lewis' reason for objecting to the variance. Mr. Lewis stated because of the reason pointed out by Mrs. Moate, the use of the gutter for the travel lane. Gutters are used for drainage and can be used for parking, but not traveling on. It narrows the street up too much in his opinion. Also, there would be catch basins that will run over in the gutter section. The catch basins could pop up if hit just right. The requirement is 30 foot face to face as opposed to 28 foot face to face. It would be more maintenance required and at risk.

Councilman Gahagan pointed out this is an historic street. Mrs. Moate stated that some of the issues discussed were the fact that the streets in this vicinity are anywhere near the width we are talking about. Narrowing the sidewalk was also discussed, but felt it would be better to allow the distance in the street elimination as opposed to narrowing the sidewalk.

Mr. Smith stated that the south side of the street where the parking pockets are located probably will not be programmatic. The primary difficult is on the north side of the street. He stated we have a concern about the turning radius and he asked the Fire Chief to see how the turning radius is.

Chief Davis presented pictures of the turning radius, now proposed at 20 feet. He stated we are asking for a 25 foot turning radius. Chief Davis stated that we are looking at two different things, the radius at the throat has got to be 25 feet to make the turning radius, the travel width of 20 feet (two ten foot lanes) is hard to put a fire truck in a 10 foot lane of travel. It would take up the entire street.



Mayor Jennette stated this is a public hearing.

Mr. Fred Fletcher stated that there are no drainage pockets on the north side, and he doesn't think there are pockets on either side. Also, you're looking at 19 ft. to 21 ft. face to face, including the gutters, on the streets in the Historic District. He stated these are DOT's recommendations. He stated it is important to reduce the speed limit from 25 mph to 20 mph. He stated this is the first time he has heard about a 25 foot turning radius. He would be happy to discuss a compromise.

Mr. Bridgeman, 318 E. Water Street, stated that the City has the opportunity to do what's right. DOT's standards are minimal at best and can be exceeded at anytime. Knowing that people move around on that street quite a bit, a lot of walking, he would hate to narrow the street for two feet and put our people at risk with storm water drains that could injure a vehicle or personally. He recommended keeping it at 30 feet.

Mayor Jennette closed the public hearing.

Mr. Holscher stated that we have one Councilmember absent, so the vote might have to be redone at a later meeting if there are any negative votes. It might have to be treated as an ordinance and would require 4 votes.

Councilman Gahagan moved to accept the recommendation of the Planning Board and granted a variance in accordance with Article IX. Variance, Section 17-181, Subsection (a) by allowing the proposed street design for Water Street to consist of a new 53 foot right of way, a 28 foot face to face street width including 2-10 foot travel lanes with 8 feet allowed for parallel parking, a 6 foot planting strip with a 5 foot sidewalk section and if Council approves the substandard street width that the throat width where there is no parking lane be not less than 22 feet curb face to curb face and the radius be 25 feet at the intersection. Mayor Pro tem Woolard voted no. –Motion carried by majority vote.

Mr. Holscher stated he would check and see if this requires a 2/3rds vote, as an ordinance does; and if that is the case, Council will vote again at the next meeting. Another public hearing is not required.

**REVOKE – REVOCATION OF LUCKY WARREN CERTIFICATE OF  
CONVENIENCE AND NECESSITY**

Carol Williams, Finance Director, stated that Mr. Warren has retired and his license needs to be revoked.

Mayor Jennette stated this is a public hearing and called for comments from the audience. There were none.

Mayor Jennette closed the public hearing.

On motion of Councilman Gahagan, seconded by Councilman Gibson, Council unanimously revoked the Certificate of Convenience and Necessity issued to Lucky Warren to operate one taxicab in the City of Washington.

**APPROVE - CERTIFICATE OF CONVENIENCE AND NECESSITY FOR  
LILLIE G. GRAY D/B/A L G TRANSPORTATION AND TAXI CAB  
SERVICES**

Ms. Williams stated that Lillie G. Gray has requested to operate one Cab Company in the City, having a terminal at 807 West 7<sup>th</sup> Street.

Mayor Jennette stated this is a public hearing.

Ms. Lillie G. Gray stated she has been in transportation for the last nine years and wants to have her own business.

Mr. Smith asked when do taxicabs licenses expire? She stated they expire June 30<sup>th</sup>. Mr. Smith stated that Council is interested in adopting some regulations and he is deciding when it might be appropriate to do this. Council can act on them in June.

Mayor Jennette closed the public hearing.

On motion of Councilman Gahagan, seconded by Councilman Gibson, Council unanimously approved issuing a Certificate of Convenience and Necessity to Lillie G. Gray to operate one taxicab as L.G. Transportation and Taxi Cab Service in the City of Washington.

**COMMENTS FROM THE PUBLIC: (IMMEDIATELY FOLLOWING PUBLIC  
HEARINGS) - WILLIAM CONLIN – DISCUSS CONTRACTING  
MAINTENANCE FOR CITY HALL BUILDING**

Mr. William Conlin was not present.

**REPORT – CDBG-INDIVIDUAL DEVELOPMENT ACCOUNTS**

Ms. Bianca Gentile presented a quarterly report to the City Council on the Individual Development Account established by the City of Washington of Washington and the Rural Carolina to assist low to moderate income persons in providing down payment assistance for first time home buyers. She stated that they offer them 30 hours of money management classes, credit counseling, and home ownership counseling. They save money and they match them five to one, and when they get \$6,000 they go to home ownership. They just moved their first participant to home ownership (a City employee with four children). A single mom is on her way to home ownership within 30 days. The Washington Housing Authority will take the program over soon. A down payment program will be over because that is usually what is the hardest part to moving into home ownership. They have submitted a proposal to a private organization to do some leadership development with the current board members and restructure that board to have moderate to low income participation. They are thinking about moving grass roots citizens into leadership opportunities so they can make decisions to guide this activity.

Mayor Jennette thanked Ms. Gentile for her report.

**REPORT – USDA TURNAGE THEATER**

Mr. Roberson stated that the original grant amount was for \$150,000, and in addition to that the City had to match that with \$49,390 plus the legal fees of \$4500, a total of \$53,890 plus the \$150,000 for a total of \$ 203,890. The City has relocated all the infrastructure improvements totaling \$92,166.44. Two other outstanding activities include streetscape and the parking lot changes in the back, estimated at \$65,000. The Turnage is still negotiating and looking for additional funding sources. Those two outstanding activities total \$88,650, a total increase of \$23,650. The unobligated funds is \$8,060. The map has been prepared and will be sent to Fred Holscher. Property owners of two outstanding portions were the City of Washington and this will be handled by the end of the month. This will be deeded to the Turnage.

**OFFER TO PURCHASE – PORTION OF LILLEY PROPERTY  
FOR SECOND FIRE STATION**

Chief Davis stated that after discussing and reviewing several pieces of property, City was in need of getting a purchase contract in place for the purpose of the USDA loan. We have to resubmit everything to them on the second site and start over. In order to do that we need to have a contract to purchase.

Mr. Holscher stated that an Offer to Purchase is needed by USDA from the landowners. The contract is to buy this piece of property for \$250,000, subject to the City being able to obtain a USDA loan up \$1,900,000 for 30 years at 4 1/4%. If the City

cannot get that loan, then the City of Washington is not binding to this contract. It's also subject to the testing of soil, within 90 days, and the City of Washington being satisfied that whatever requirements FEMA may have. The City of Washington has to be able to put \$3,000 in escrow which would be refunded if any of those conditions failed. The \$3,000 will be subtracted from the contract amount at closing.

Chief Davis commented that this is the better site of all the sites they have looked at, and they have been continuously looking. Soil borings were done last week and he should know something within three weeks. Chief Davis stated that we all got caught up in a *free* piece of land that didn't turn out to be *free*, and that should be the learning experience.

On motion of Councilman Gahagan, seconded by Councilman Brooks, Council unanimously authorized the Mayor and City Attorney to execute the contract to purchase 2.24 acres located on 15<sup>th</sup> Street Extension as submitted.

**REQUEST – TURNAGE THEATERS FOUNDATION, INC.  
ANNUAL GRANT IN THE AMOUNT EQUAL TO PROPERTY  
TAXES ON THE RESTORED BUILDING**

Mr. John Vogt, Executive Director of Turnage Theaters Foundation, stated that the Turnage Theater is a non profit organization. Pursuant to the terms of an agreement they will have with the National Trust Community Investment Fund, the Turnage will have to form a for profit LLC corporation for a temporary period, between five and seven years. During that time, the Turnage would be subject to property taxes. He ask Council to allow the property taxes they would pay, \$16,300 annually, to be granted back to the Turnage so they can be applied to the renovation and operation of the theater. After this period of time, the Turnage will dissolve the LLC.

Mayor Jennette asked if that money could be used for match money for other grants in the future. Mr. Vogt stated he would look into that. The City's contribution today is significant and they are able to use it as a match.

Councilman Gibson asked that this be explained in detail.

After discussion, on motion of Councilman Gahagan, seconded by Mayor Pro tem Woolard, Council unanimously approved the request of Turnage Theaters Foundation for an annual grant in the amount of the property taxes to be paid on the restored property in the amount of approximately \$16,300.00 and that the grant be provided annually for a period of seven years.

Council took a break at 7:15 p.m. and reconvened at 7:30 p.m.

**AUTHORIZE - CITY MANAGER TO SIGN GRANT AGREEMENT - CLEAN  
WATER TRUST FUND**

Mr. Roberson stated that the City purchased property through the Clean Water Trust Fund and showed a map indicating the location of the property.

Mr. Roger Tuttle, representing the Miracle Mile, stated that they have looked at a piece of property that has become available, and rather than see it either go to waste or someone strip it of its timber, they want to include it in their next meeting with the Clean Water Management Trust Fund. Mr. Tuttle stated they have had several meetings with the field rep and they think they will be willing to buy this piece of property at no cost to the City. In addition, they are trying to get money for the Singleton property the City now owns. He is asking the City to accept it as a possibility at no cost to the City. They will turn the property over to the City of Washington.

Councilman Gibson asked how much tax is it generating now? Mr. Tuttle didn't know.

On motion of Councilman Gahagan, seconded by Mayor Pro tem Woolard, Council unanimously authorized the City Manager to sign an application for a grant from the Clean Water Trust Fund in an amount not to exceed \$40,000 to purchase 114.88 acres of land an complete an offer to purchase form with an earnest money deposit of \$500.00.

**REPORT – REVISION OF COMMITTEE FOR DWOW BOARD**

Mr. Tanner stated that at the Planning Session, Council discussed the concept of putting in place a group that would deal with the implementation of the W.K. Dixon Plan. At a subsequent City Council meeting, actual membership of that group was discussed. It was Council's recommendation to send them back to the drawing board in terms to the membership of it. The recommendations that the group consist of:

- DWOW President
- Chairs of the four committees or their committee designees
- Executive Director of DWOW
- Mayor or DWOW Council appointee
- City Manager or their designee
- Planning Board member
- County Manager or their designee
- At-Large Downtown property owner and/or merchant (1)

Mayor Jennette recommended that the Downtown Merchants Association choose the eleventh person. Mr. Tanner stated that the goal is what is important. Mayor Jennette asked who would oversee this group and how much authority would they have. Mr. Tanner stated that the plan of action would dictate the approval process. DWOW will be able to take on that staff level function. The City Manager, Mayor and City Council will determine what level of participation the City would have in terms of which staff members take part in the sessions.

Mayor Jennette asked that Mr. Tanner or a member of DWOW make sure there are minutes taken at the meetings.

On motion of Mayor Pro tem Woolard, seconded by Councilman Brooks, Council unanimously designated the committee members listed below as the group charged with implementation of the Downtown Washington Revitalization Plan:

- DWOW President
- Chairs of the four committees or their committee designees
- Executive Director of DWOW
- Mayor or DWOW Council appointee
- City Manager or their designee
- Planning Board member
- County Manager or their designee
- At-Large Downtown property owner and/or merchant (1), **with the Downtown Merchants choosing their representative**

**AUTHORIZE – MAYOR TO SIGN CONTRACT WITH HAYES,  
SEAY, MATTERN & MATTERN, INC.**

Philip Mobley, Parks & recreation Director, stated that this contract for the Recreation Master Plan has been brought back because Council wanted the firm to do more for us such as identify some athletic costs, etc. The firm has agreed to stay at the price of \$28,000. This should also help satisfy some of the County's needs of understanding where our costs are coming from in athletics.

Councilman Gibson expressed some concern about the time frame, that we have been burned on time frames lately. Mr. Mobley stated that the consultants will do the job no matter how many months it will take. Mr. Smith stated that we did ask them to establish a date. Mr. Mobley stated we have about ten months before the 07-08 budget to get it done.

On motion of Councilman Gahagan, seconded by Mayor Pro tem Woolard, Council unanimously authorized the Mayor to sign the contract with Hayes, Seay, Mattern & Mattern, Inc. in doing the Washington Parks & Recreation Master Plan in the amount of \$28,000.

Councilman Gibson requested that a time frame be included in the contract.

**ADOPT – WATER & SEWER IMPACT FEES**

Mr. Smith stated that the City adopted Impact Fees in June 2004, and the numbers were generated in an appropriate manner. The way it was implemented, however, did not provide for things like a credit for someone who had a service beforehand and is an adapted reuse, adding to the demand, or reducing the demand. There is also a whole series of cases that go back to legal challenges throughout the country. This ordinance attempts to address all those findings of the Courts and the precedence that has been set. Its complicated, and there is a challenge here in North Carolina. This ordinance is in a format that should be sustainable for the City. The simplest impact fees are water and sewer impact fees.

Mayor Jennette stated that it also separates new construction. Mr. Smith stated it gives a credit where property is being renovated and already had water and sewer service.

On motion of Mayor Pro tem Woolard, seconded by Councilman Gibson, Council unanimously adopted an ordinance to amend Chapter 18, Water & Wastewater for Impact Fees.

**AN ORDINANCE TO AMEND CHAPTER 18, WATER AND WASTEWATER OF  
THE CITY CODE OF THE CITY OF WASHINGTON, NORTH CAROLINA**

**BE IT ORDAINED**, by the City Council of the City of Washington, North Carolina:

Section 1. That Article V, Section 18-151(b) Service Fees be deleted in its entirety.

Section 2. That Article V, Section 18-161 Water & Sewer Facilities Impact Fee be added as the following:

(a) Legislative Findings. The City of Washington finds, determines and declares that:

- 1) City of Washington has expanded and must further expand and upgrade its water and sewer facilities in order to maintain current and meet anticipated future standards of public health if new development is to be accommodated without decreasing current standards of public health.
- 2) The imposition of impact fees is one of the preferred methods of ensuring that development bears a proportionate share of the cost of water and sewer facilities necessary to accommodate such development. This must be done in order to promote and protect the public health, safety, and welfare.
- 3) Connecting to the City water and/or sewer system will create a need for the construction, equipping, expansion, and upgrading of water and sewer facilities.
- 4) The fees established by 18-161(g) are derived from, are based upon, and do not exceed the costs of providing additional and/or upgraded water and sewer facilities necessitated by the connection to the City's water and sewer systems.

(b) Short Title, Authority, and Applicability.

- 1) This ordinance shall be known and may be cited as the "City of Washington Water and Sewer Facilities Impact Fee Ordinance."

- 2) The City Council of City of Washington has the authority to adopt this ordinance pursuant to its general police powers and its obligation to protect the health, welfare and safety of its residents.
- 3) This ordinance shall apply in the Incorporated and Extraterritorial Jurisdiction (ETJ) areas of City of Washington served by its water and/or sewer systems.

(c) Intents and Purposes.

- 1) This ordinance is intended to assist in the implementation of the City of Washington Comprehensive Plan.
- 2) The purpose of this ordinance is to regulate the use and development of land so as to assure that new development bears a proportionate share of the cost of capital expenditures necessary to provide water and sewer facilities in the Incorporated and Extraterritorial Jurisdiction (ETJ) areas of City of Washington served by its water and/or sewer systems.

(d) Rules of Construction

- 1) The provisions of this ordinance shall be liberally construed so as to effectively carry out its purpose in the interest of the public health, safety, and welfare.
- 2) For the purposes of administration and enforcement of this ordinance, unless otherwise stated in this ordinance, the following rules of construction shall apply to the text of this ordinance:
  - a. In case of any difference of meaning or implication between the text of this ordinance and any caption, illustration, summary table, or illustrative table, the text shall control.
  - b. The word “shall” is always mandatory and not discretionary; the word “may” is permissive.
  - c. Words used in the present tense shall include the future; and words used in the singular number shall include the plural, and the plural the singular, unless the context clearly indicates the contrary.
  - d. The phrase “used for” includes “arranged for”, “designed for”, “maintained for”, or “occupied for”.
  - e. The word “person” includes an individual, a corporation, a partnership, an incorporated association, or any other similar entity.
  - f. Unless the context clearly indicates the contrary, where a regulation involves two (2) or more items, conditions, provisions, or events connected by the conjunction “and”, “or” or “either...or”, the conjunction shall be interpreted as follows:
    - (1) “And” indicates that all the connected terms, conditions, provisions or events shall apply.
    - (2) “Or” indicates that the connected items, conditions, provisions or events may apply singly or in any combination.
    - (3) “Either...or” indicates that the connected items, conditions, provisions or events shall apply singly but not in combination.
  - g. The word “includes” shall not limit a term to the specific example but is intended to extend its meaning to all other instances or circumstances of like kind or character.
  - h. City Manager means the Washington City manager or municipal officials he/she may designate to carry out the administration of this ordinance.

(e) Definitions.

- 1) A “fee payer” is a person applying for connection to the City’s water and/or sewer system.

- 2) “Water and Sewer Facilities” are physical public collection and treatment facilities of the City of Washington

3) “Sewer and/or Water System” are the physical public collection and treatment facilities of the City of Washington, administrative adjuncts to such system and the planned future improvements to such system

4) “Connection to the Water and/or Sewer System” is the physical connect of a building, structure or use of land to the City’ s water and/or sewer lines, no matter if such connection is made through or by intermediate lines.

5) “Capital Equipment” is equipment with an expected use life of three years or more.

6) “Development Order” means a regulatory approval by City of Washington.

(f) Imposition of Water and Sewer Facilities Impact Fee.

- 1) Any person who, after the effective date of this Ordinance seeks to connect to the City of Washington water system is hereby required to pay a water facilities impact fee in the manner and amount set forth in this ordinance.

2) Any person who, after the effective date of this Ordinance seeks to connect to the City of Washington sewer system is hereby required to pay a sewer facilities impact fee in the manner and amount set forth in this ordinance.

(g) Computation of the Amount of Water and Sewer Facilities Impact Fee

- 1) At the option of the fee payer, the amount of the water and/or sewer facilities impact fee may be determined by the following fee schedules.

FEE SCHEDULE FOR WATER FACILITIES

LAND USE TYPE

RESIDENTIAL STRUCTURE, including: SINGLE FAMILY UNIT, MULTIPLE FAMILY UNIT, MOBILE HOME EACH UNIT, HOTEL/MOTEL ROOM PER ROOM and INCLUDING CHURCHES:

METER SIZE (INCHES)

1 OR SMALLER	\$ 332.00
1 ½	\$ 2,057.00
2	\$ 4,000.00

NON RESIDENTIAL STRUCTURES

METER SIZE (INCHES)

1	\$ 1,162.00
1 ½	\$ 2,057.00
2	\$ 4,000.00
3	\$ 7,000.00
4	\$ 9,000.00
6	\$ 10,000.00

FEE SCHEDULE FOR SEWER FACILITIES

LAND USE TYPE (UNIT)

RESIDENTIAL STRUCTURE, including: SINGLE FAMILY UNIT, MULTIPLE FAMILY UNIT, MOBILE HOME EACH UNIT, HOTEL/MOTEL ROOM PER ROOM and INCLUDING CHURCHES:

METER SIZE (INCHES)

1 OR SMALLER	\$ 588.00
1 ½	\$ 4,073.00
2	\$ 6,000.00

NON RESIDENTIAL STRUCTURES

METER SIZE (INCHES)

1	\$ 2,216.00
1 ½	\$ 4,073.00
2	\$ 6,000.00
3	\$ 9,000.00
4	\$ 15,000.00
6	\$ 18,000.00

In the case of change of use, redevelopment, or expansion or modification of an existing use which requires a new, replacement, or additional connection to the City's water and/or sewer system, the impact fee shall be based upon the net increase in the size of the meter for the new connection over the size of the meter for the previous connection.

- 2) If a fee payer opts not to have the impact fee determined according to paragraph (A) of this section, then the fee payer shall prepare and submit to the City Manager an independent fee calculation study for the land development activity for which a connection to the City's water and/or sewer system is sought. The independent fee calculation study shall follow the prescribed methodologies and formats for water and or sewer demand prescribed by the North Carolina Department of Department of Environment and Natural Resources (DENR). The documentation submitted shall show the basis upon which the independent fee calculation was made. The City Manager shall consider the documentation submitted by the fee payer but is not required to accept such documentation as he/she shall reasonably deem to be inaccurate or not reliable and may, in the alternative, require the fee payer to submit additional or different documentation for consideration. If an acceptable independent fee calculation study is not presented, the fee payer shall pay water and sewer facilities impact fees based upon the schedule shown in paragraph (A) of this section. If an acceptable independent fee calculation study is presented, the City Manager may adjust the fee to that appropriate to the particular development. Determinations made by the City Manager pursuant to this paragraph may be appealed to the Washington City Council by filing a written request with the City Manager within ten (10) days of the City Manager's determination.

(h) Payment of Fee

- 1) The fee payer shall pay the water and sewer facilities impact fee required by this ordinance to the City Division of Revenue Collections prior to connection to the City's water and/or sewer system
- 2) All funds collected shall be properly identified by and promptly transferred for deposit in the appropriate Water and Sewer Facilities Impact Fee Trust Fund to be held in separate accounts as determined in Section Ten of this ordinance and used solely for the purposes specified in this ordinance.

(i) Water and Sewer Facilities Impact Fee Trust Funds Established

- 1) There are hereby established two (2) separate Water and Sewer Facilities Impact Fee Trust Funds: (1) the Water Facilities Impact Fee Trust Fund and (2) the Sewer Facilities Impact Fee Trust Fund.
- 2) Funds withdrawn from these accounts must be used in accordance with the provisions of Section Ten of this ordinance.

(j) Use of Funds

- 1) Funds collected from water and sewer facility impact fees shall be used solely for the purpose of acquiring, equipping, and/or making capital improvements to water and sewer facilities under the jurisdiction of the City of Washington, and shall not be used for maintenance or operations.
- 2) Funds from the Water Facilities Impact Fee Trust Fund may only be used for water facilities purposes and funds from the Sewer Facilities Impact Fee Trust



Fund may only be used for sewer facilities purposes. Funds shall be expended in the order in which they are collected.

- 3) In the event that bonds or similar debt instruments are issued for advanced provision of capital facilities for which water and sewer facilities impact fees may be expended, impact fees may be used to pay debt service on such bonds or similar debt instruments to the extent that the facilities provided are of the type described in paragraph A above.
- 4) At least once each fiscal period the City Manager shall present to the Washington City Council a proposed capital improvement program for water and sewer facilities, assigning funds, including any accrued interest, from the several Water and Sewer Facilities Impact Fee Trust Funds to specific water and sewer facilities improvement projects and related expenses. Monies, including any accrued interest, not assigned in any fiscal period shall be retained in the same Water and Sewer Facilities Impact Fee Trust Funds until the next fiscal period except as provided by the refund provisions of this ordinance.
- 5) Funds may be used to provide refunds as described in Section Eleven.
- 6) Funds may be used to rebate developer costs for providing water and/or sewer capital facilities in excess of the capacity required to the individual developer making the provision. Any rebates must be pursuant to a refunding agreement between the developer and City of Washington after the effective date of this ordinance. Prior refunding agreements may be re- negotiated in order to bring such agreements into accord with the provisions of this ordinance.

(k) Refund of Fees Paid

Any funds not expended or encumbered by the end of the calendar quarter immediately following six (6) years from the date the water and sewer facilities impact fee was paid shall, upon application of the then current landowner, be returned to such landowner with interest at the rate of five percent (5%) per annum, provided that the landowner submits an application for a refund to the Clerk of the City of Washington within 180 days of the expiration of the six year period.

(l) Exemptions and Credits

- 1) The following shall be exempted from payment of the impact fee:
  - a) Alterations or expansion of an existing building where no additional or larger water and/or sewer connections are requested and where the use is not changed.
  - b) The replacement of a building or structure with a new building or structure of the same size and use where no additional or larger water and/or sewer connections are requested and where the use is not changed..
  - c) The installation of a replacement mobile home on a lot or other such site when a water and/or sewer capital facilities impact fee for such mobile home site has previously been paid pursuant to this ordinance or where a mobile home legally existed on such site on or prior to the effective date of this Ordinance.
  - d) Any claim of exemption must be made no later than the time of application for connection to the City's water and/or sewer system. Any claim not so made shall be deemed waived.
- 2) Credits
  - a) Water and sewer facilities capital improvements may be offered by the feepayer as total or partial payment of the required impact fee. The offeror must request a water and sewer facilities impact fee credit. If the City Manager accepts such an offer, whether the acceptance is before or after the effective date of this ordinance, the credit shall be determined and provided in the following manner:
    1. Credit for the dedication of land shall be valued at
      - (a) 110% of the most recent assessed value by the Beaufort County Tax Assessor, or

- (b) by such other appropriate method as the Washington City Council may have accepted prior to the effective date of this ordinance for particular water and sewer facilities improvements, or
- (c) by fair market value established by private appraisers acceptable to the City. Credit for the dedication of water and sewer facilities land shall be provided when the property has been conveyed at no charge to, and accepted by, the City in a manner satisfactory to the Washington City Council.
2. Applicants for credit for construction of water and sewer facilities improvements shall submit acceptable engineering drawings and specifications, and construction cost estimates to the City Manager. The City Manager shall determine credit for construction based upon either these cost estimates or upon alternative engineering criteria and construction cost estimates if the City Manager determines that such estimates submitted by the applicant are either unreliable or inaccurate. The City Manager shall provide the applicant with a letter or certificate setting forth the dollar amount of the credit, the water and sewer facilities impact fee component(s) to which the credit will apply the reason for the credit, and the legal description or other adequate description of the project or development to which the credit may be applied. The applicant must sign and date a duplicate copy of such letter or certificate indicating his agreement to the terms of the letter or certificate and return such signed document to the City Manager before credit will be given. The failure of the applicant to sign, date, and return such document within 60 days shall nullify the credit.
3. Except as provided in subparagraph (d), Credit against impact fees otherwise due will not be provided until:
- (a) the construction is completed and accepted by the City, or
- (b) a suitable maintenance and warranty bond is received and approved by the City Clerk, when applicable.
4. Credit may be provided before completion of specified water and sewer facilities improvements if adequate assurances are given by the applicant that the standards set out in Subparagraph (c) will be met and if the feepayer posts security as provided below for the costs of such construction. Security in the form of a performance bond, irrevocable letter of credit or escrow agreement shall be posted with and approved by the City Clerk of City of Washington in an amount determined by the City Manager. If the water and sewer facilities construction project will not be constructed within one (1) year of the acceptance of the offer by the City Manager, the amount of the security shall be increased by ten per cent (10%) compounded, for each year of the life of the security. The security shall be reviewed and approved by the Clerk of the Washington City Council prior to acceptance of the security by the Clerk. If the water and sewer facilities construction project is not to be completed within 5 years of the date of the feepayer's offer, the Washington City Council must approve the water and sewer facilities construction project and its scheduled completion date prior to the acceptance of the offer by the City Manager.
- b) Any claim for credit must be made no later than the time of application for connection. Any claim not so made shall be deemed waived.
- c) Credits shall not be transferable from one project or development to another without the approval of the Washington City Council.
- d) Credits shall not be transferable from one component of the water and sewer facilities impact fee to another component of this fee.
- e) Determinations made by the City Manager pursuant to the credit provisions of this section may be appealed to the City Council by filing a written request with the City Manager within ten (10) days of the City Manager's determination.
- (m) Review
- The fees contained in Section 18-161(g) 1 shall be reviewed by Washington City Council at least once each fiscal biennium at the time of adoption of the City Budget.
- (n) Penalty Provision
- A violation of this ordinance shall be prosecuted in the same manner as misdemeanors are prosecuted and upon conviction the violator shall be punishable according to law. However, in addition to or in lieu of any

criminal prosecution City of Washington shall have the power to sue in civil court to enforce the provisions of this ordinance.

(o) Severability

If any section, phrase, sentence or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. All ordinances or parts of ordinances in conflict are hereby repealed.

Section 4. This ordinance shall become effective March 13, 2006.

Adopted this the 13<sup>th</sup> day of March 2006.

s/Judy Jennette  
**JUDY JENNETTE**  
**MAYOR**

ATTEST:

s/Rita A. Thompson  
**RITA A. THOMPSON, CMC**  
**CITY CLERK**

**CLOSING STEWART PARKWAY**

Mr. Tanner stated that the request for closing Stewart Parkway is for “Saturday Market.” They are proposing to use from almost to Gladden Street along Stewart Parkway, but cars can still enter the parking lot behind the buildings from Gladden. It will wrap around Stewart Parkway and stop at Respass. The set up is putting a stage at the crosswalk at the intersection at Respass and Stewart Parkway. There will be an open area next to the stage, a food court and artisans will wrap around to Gladden Street to the Farmer’s Market.

Mayor Jennette pointed out that the parkway will be closed one time for this, because someone is using the Evans Seafood property. Mr. Tanner stated it might be closed one other time when they have the Classic Car Show. He would like to try both sites.

**CONSIDER – PAVING PETITION FOR PAVING OF PAMLICO STREET**

Mr. Lewis stated that a paving petition has been received from the majority of owners along Pamlico Street between East 12<sup>th</sup> and Hodges Street. He stated that normally the City pays 40% pf the cost with the property owners paying 60% of the cost, total cost being \$120,000. While the property owners signed the petition, they have expressed very strongly that the City pay the entire cost. During the budget session in February, Council received a copy of the Powell Bill paving revenues projected for the upcoming fiscal year and the effect Mr. Wehrenberg’s request would have on those funds, as well as paving projects. Council agreed to give Mr. Wehrenberg \$55,000 interest free loan. You take that off the \$160,000, you have \$105,000 left. If you only paid 40% of the \$120,000, you would only have \$72,000 left for resurfacing and paving for next year’s Powell Bill money.

Mayor Jennette stated the petition said 40% City and 60% property owners’ cost when it came on the City Council. Mr. Lewis stated that it is very clear that you can’t pave the street with money you don’t even have. Mr. Lewis stated that 51% of the property owners have to agree to pave the street.

Mr. Smith stated that paving the street will increase the value of their property. Mr. Holscher stated that this is done by special assessment and the property owners pays for it over a period of years.

After discussion, it was agreed that this will be brought back at the next meeting before we look at special assessments.

**COUNCILMAN GIBSON –TRAFFIC LIGHT @ 5<sup>TH</sup> AND MARKET STREET**

Councilman Gibson stated that we need to get DOT to reconsider the time spans on the traffic light at 5<sup>th</sup> and Market. He stated that people are having to wait through two cycles to get across 5<sup>th</sup> Street.

Mr. Lewis stated that a request was made to DOT a while back and they responded back to the Manager's office. Mr. Lewis stated that he had spoken with some engineers at the time the request was made and the way it works if there is a large enough gap in the traffic it will indicate there is not enough traffic to trigger the light. He stated it could be a matter of extending the time. Mr. Lewis stated that the lights were synchronized a few years ago to move the traffic east and west. Councilman Gibson stated that there will be more and more traffic going north and south so more seconds should be added.

Mr. Lewis will draft a letter to DOT about the request.

**ADJOURN – UNTIL MARCH 20, 2006 AT 6 PM**

On motion of Mayor Pro tem Woolard, seconded by Councilman Gahagan, Council unanimously adjourned the meeting until Monday, March 20, 2006 at 6:00 p.m. in the Council Chambers.

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**Rita A. Thompson, CMC  
City Clerk**